



***DRAFT
WORKING PAPERS
Iraq Status***

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Highlights

CPA Priorities:

- Essential Services
- Security
- Governance
- Economy
- Strategic Communications

CPA Intermediate Objectives:

- Reconstitute electric power infrastructure
- Reconstruct the telecom system
- Draft "Transitional Administrative Law"
- Build financial market structures
- Increase professionalism of TV staff

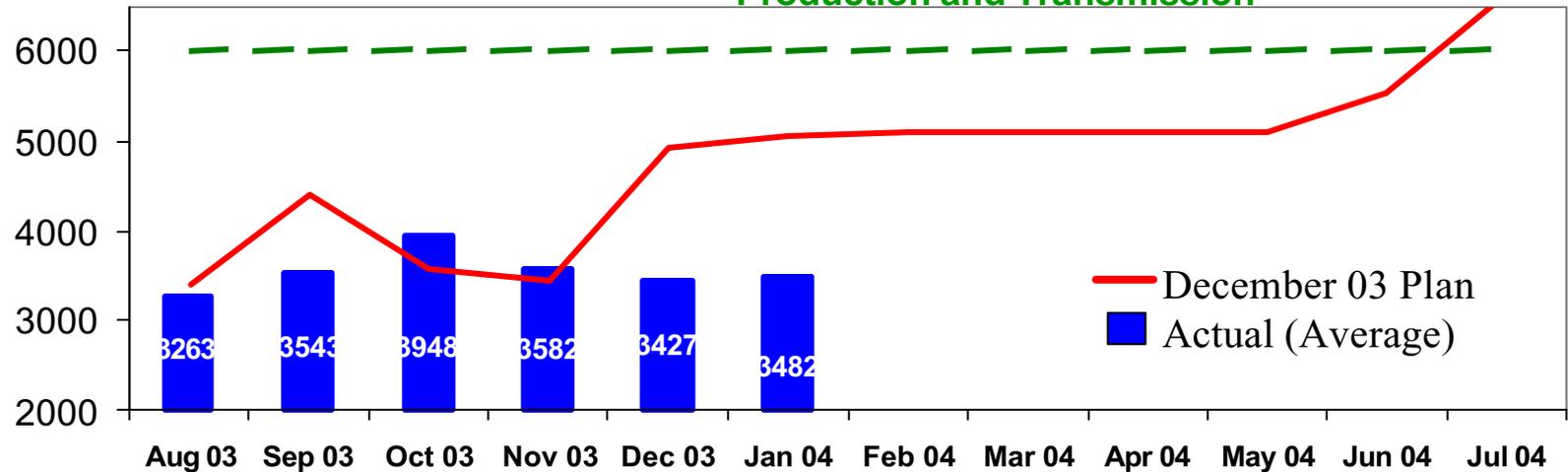
Weekly Highlights:

- CPA is developing a new increase plan to prevent current project delays from impacting the goal of 6000 MW by 01 Jun 04
- Currently 1.2M telephone subscribers; goal for next 12-months is to double number of subscribers
- New Iraqi Dinar (NID) at \$1 = NID 1,675
- Harris Corporation awarded \$96M to operate Iraqi national newspaper and broadcast network for 12 months

Iraqi Electricity Overview

Goal 01 Oct : 4,400 MW
Production and Transmission

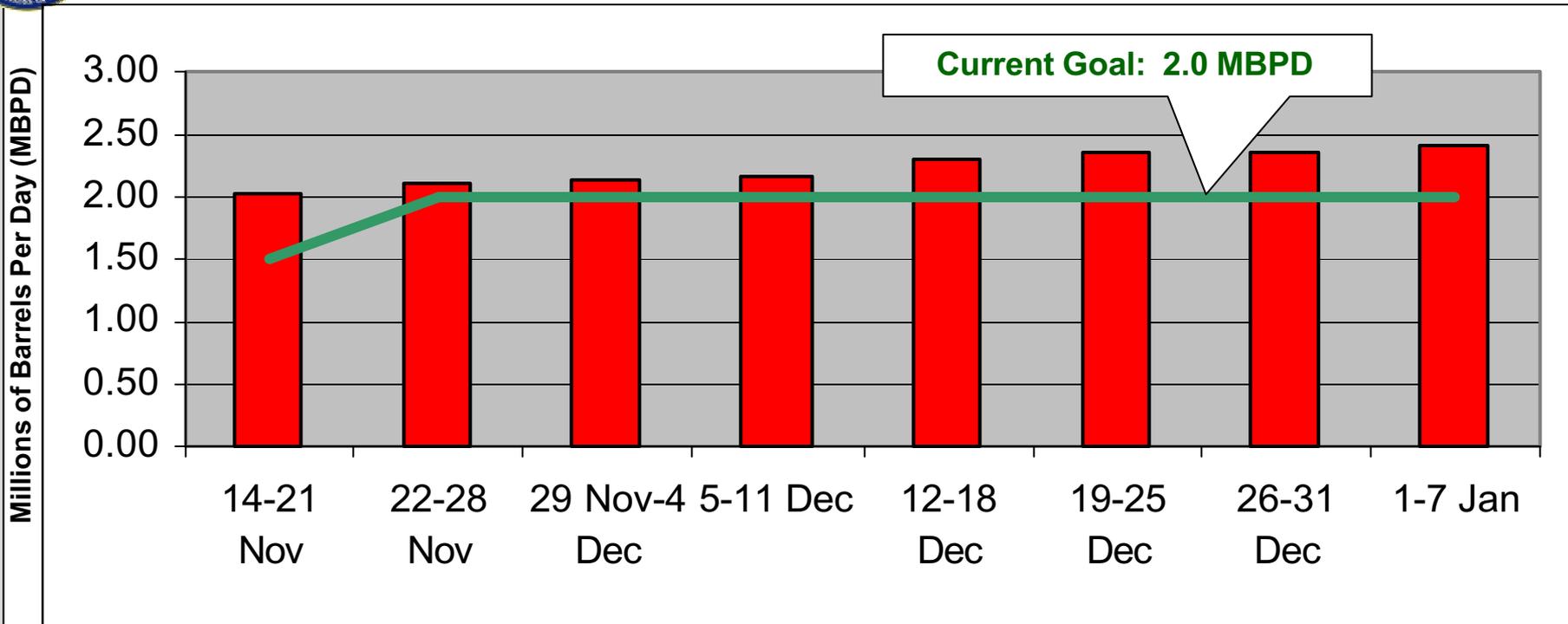
Goal Summer 04: 6,000 MW
Production and Transmission



- CPA is developing a new increase plan to prevent current project delays from impacting the goal of 6,000 MW by 01 Jun 04
- CPA Autumn Maintenance Program began Oct 03 and continues with approximately 900 MW currently in scheduled maintenance. Unscheduled generator maintenance continues for approximately 900 MWs



Crude Oil Production



■ Average Daily Production by Week

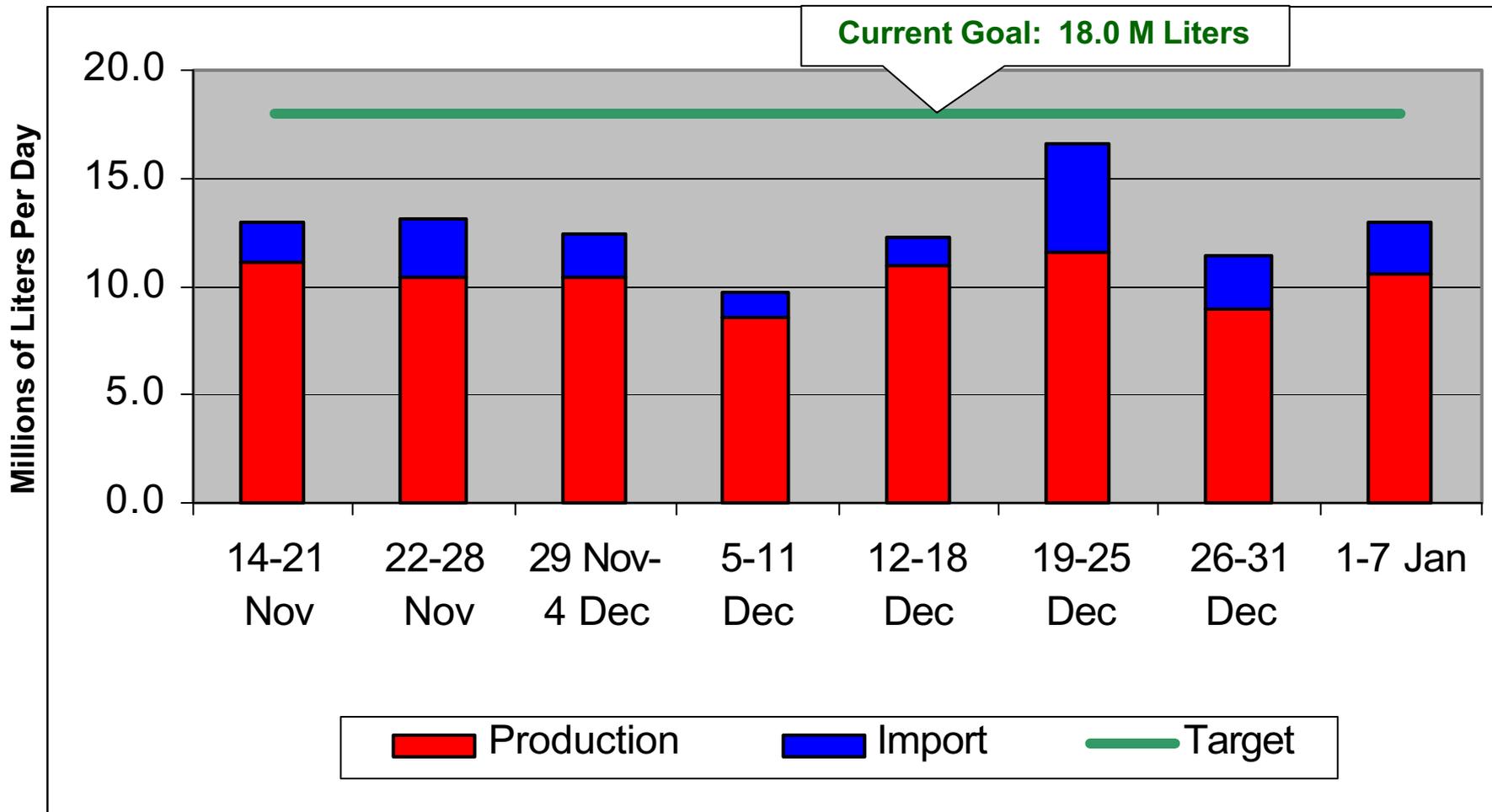
WEEKLY AVERAGE OF 2.413 MBPD EXCEEDS TARGET OF 2.0 MBPD

- Long Term Target (Dec 04): 2.8 - 3.0 MBPD (Pre-War Capacity)
- Pre-War Peak: 2.5 MBPD in Mar 03
- Post-war Peak: 2.484 MBPD on 06 Jan 04
- Weekly average of crude exports: 1.8 MBPD
- Note: 26 - 31 Dec data increased due to new information



Diesel Production

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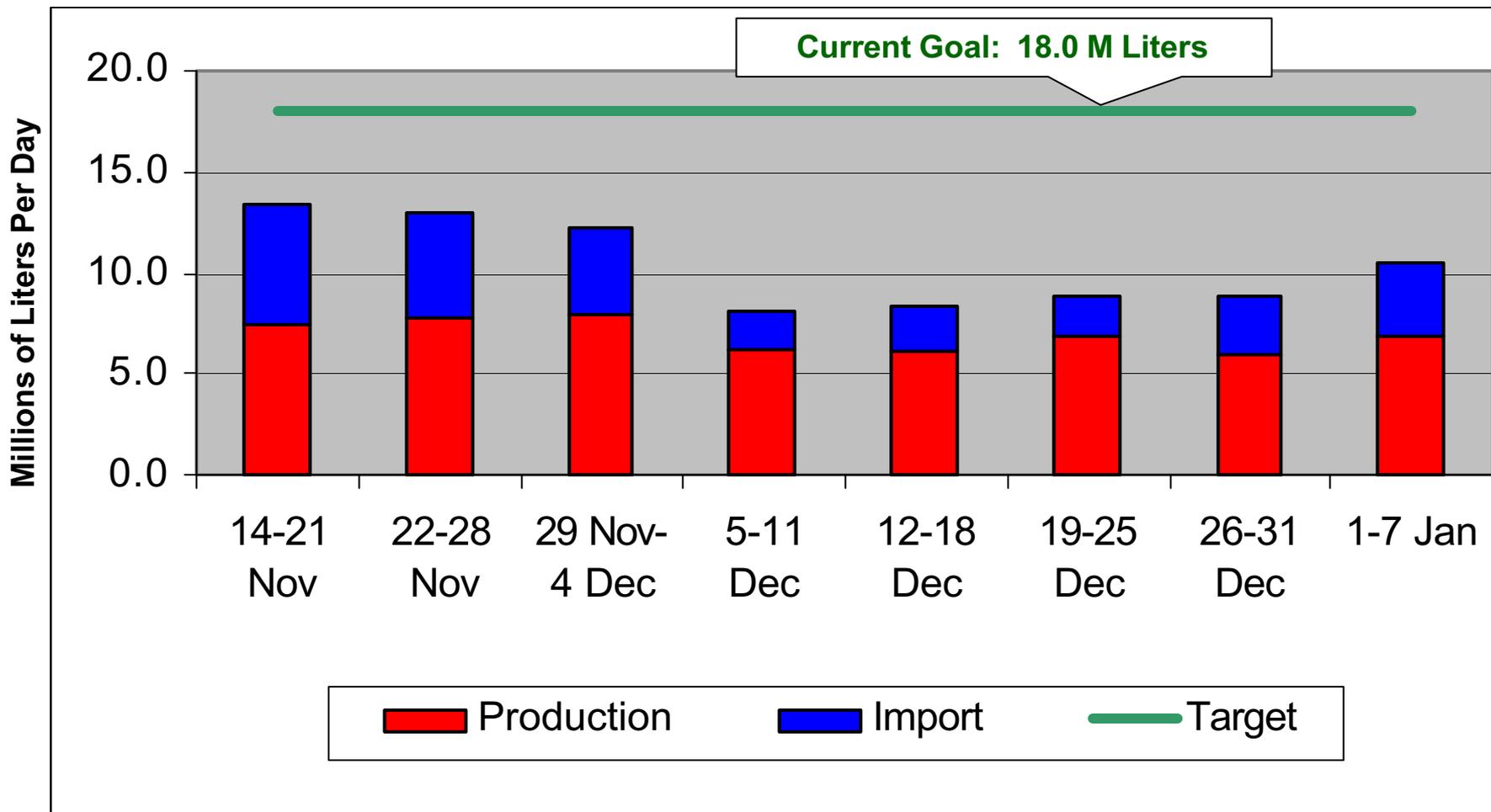


• This week's average production and imports are 72% of goal



Kerosene Production

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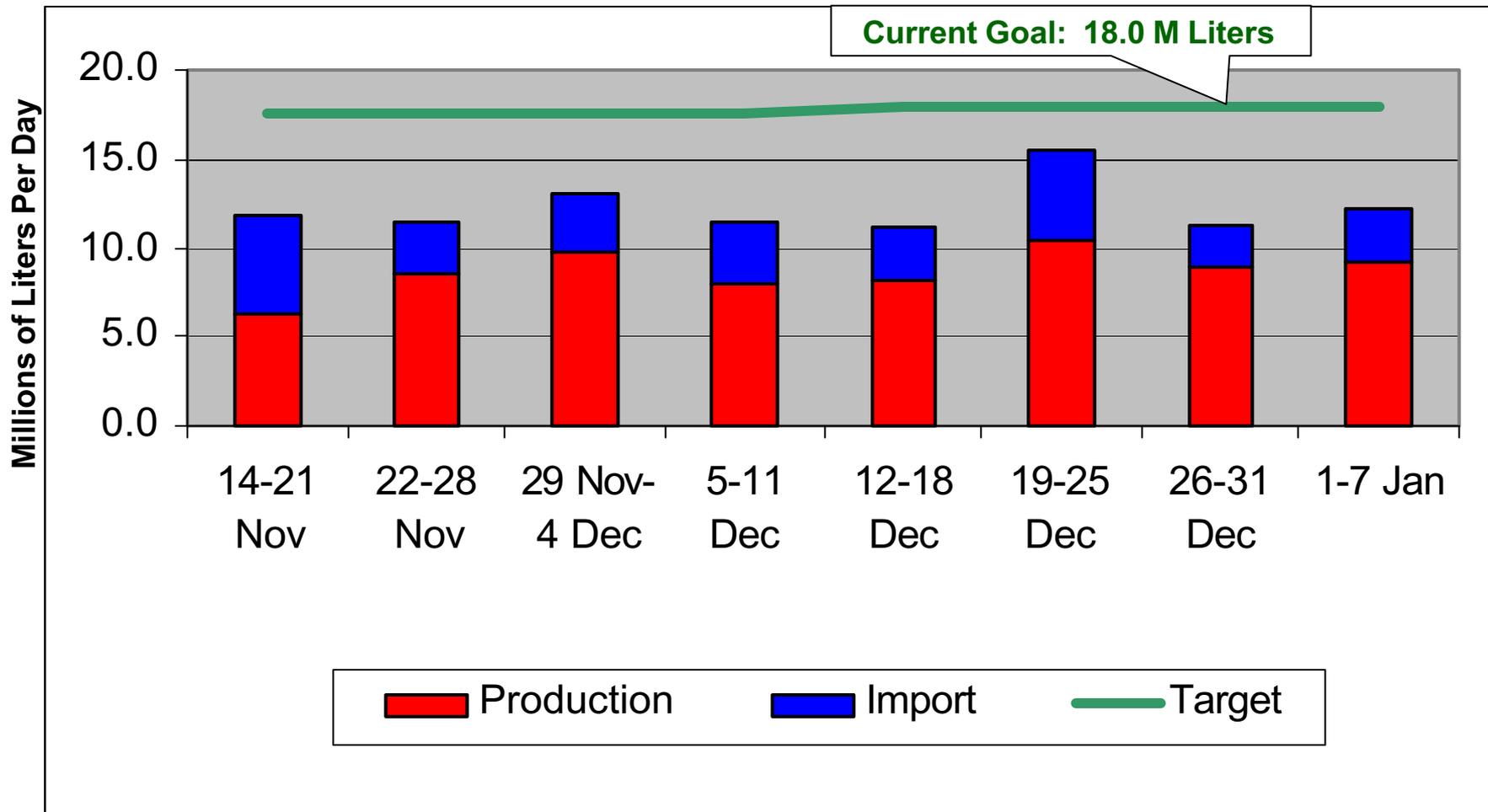


• This week's average production and imports are 58% of goal



Gasoline / Benzene Production

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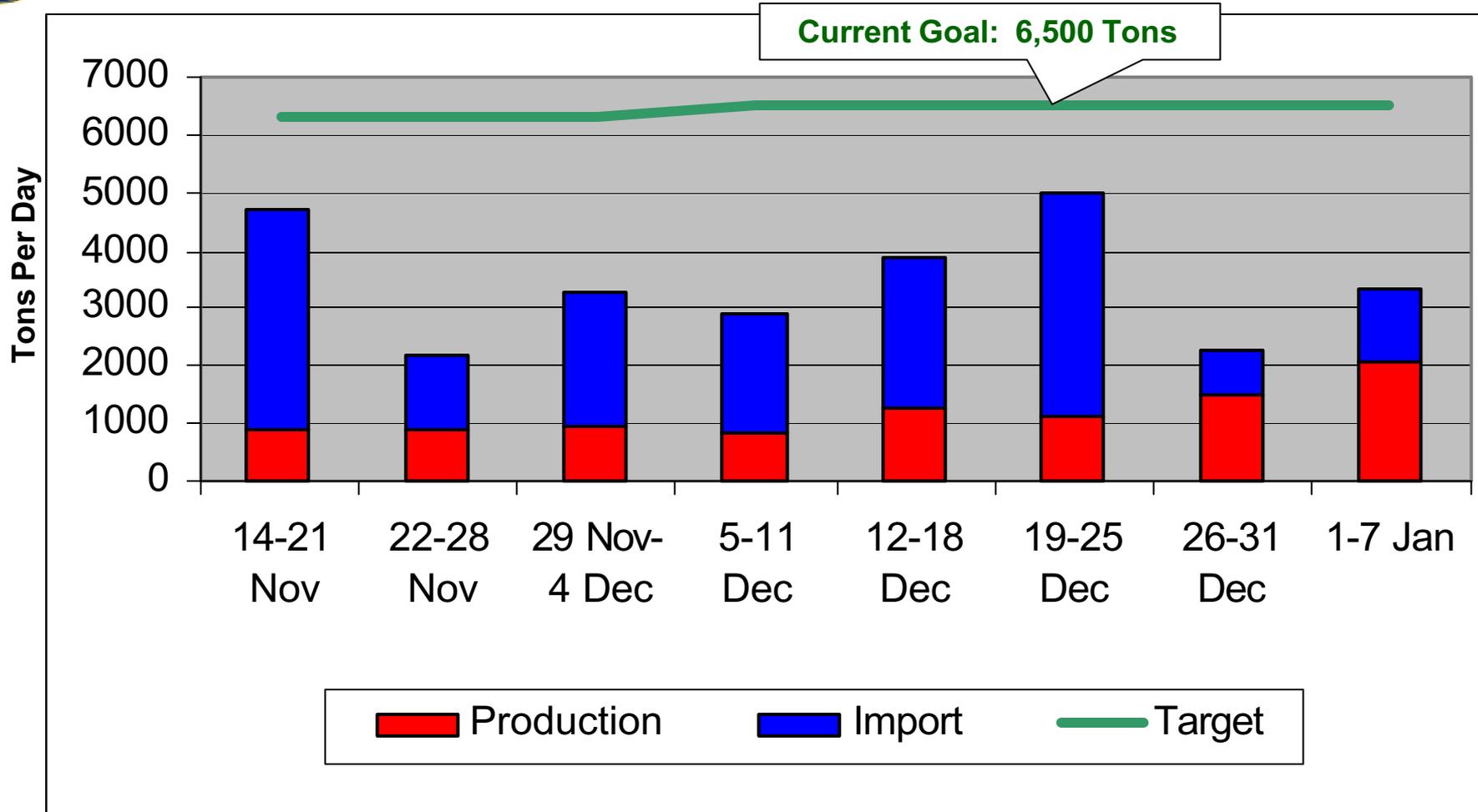


• This week's average production and imports are 67% of goal



Liquefied Petroleum Gas Production

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• This week's average production and imports are 51% of goal



Essential Services - Education

- **Rehabilitated 2,133 out of 11,939 schools damaged in some way for the first term of school year 2003-04**
- **395 Grants worth almost \$5.4M awarded for the rehabilitation of schools and director general offices throughout the country**
- **Trained 706 secondary school Master Trainers**
- **8,000 student desks being purchased for 3 universities to be delivered by Feb 04**
- **1,565 Iraqis employed for education project work around the country**
- **US university representatives traveled to Iraq to begin programs in legal education, agriculture, and public health**
- **Six hundred out-of-school children have a second chance for education through the Accelerated Learning program**

Milestones:

- **72 million new textbooks will be distributed before end of school year**
- **64,000 or more secondary teachers and 5,000 school principals and administrators will be trained in modern teaching methods**

Essential Services - Healthcare

- **More than 3 million children under five have been vaccinated under the Expanded Immunization Program (EIP) since June 03**
 - **770,000 received vaccines through EIP catch-up campaign that takes place twice a week with the assistance of 4,000 health workers and 124 supervisors**
 - **Program is coordinated by the Ministry of Health (MOH) and UNICEF**
 - **UNICEF is also working with MOH to build capacity to conduct routine immunization campaigns at clinics and monthly vaccine days for those who cannot reach clinics**
 - **Program will benefit 4.2 million children under age five and 700,000 pregnant women**
- **To complement EIP, the vitamin A distribution program, conducted by UNICEF in Iraq before the conflict, will be restarted this month**
 - **Under the program, vitamin supplements will be distributed to those in need on monthly immunization days**

Healthcare Milestones

- **Apr 04: Electronic health surveillance program initiated**
- **Jun 04: Model health care clinics established emphasizing prevention and disease management**
- **End 04: 90% of all children receive routine immunizations**
- **End 05: Infant mortality rate reduced by half to 50 / 1,000**

Essential Services - Water



- Water supply network estimated to be functioning at 65% pre-war level
- 60% of population has access to limited supplies of potable water
- Primary issue is security of 25 major dams and barrages, 275 pumping stations, and thousands of kilometers of canals and ditches
 - Coalition forces secure seven of nine key dam facilities
 - Ministry guards replaced Coalition forces on two sites
 - The ministry is recruiting, hiring and training security personnel as quickly as possible
 - An estimated 2,000 guards are needed nationwide.

Water Sector Metrics for 1 July 04

- Water quality & quantity improved for 500,000 Iraqis in 15 governorates
- Urgent supplies delivered to water treatment plants
- Contracting completed & construction begun for major water facilities
- Nearly 300 power generators at pump stations require daily service, with operational rate of generators varying from 20 to 90%
 - Supplemental Budget accounts for repairing / replacing these systems
- Supplemental Budget funds replacement of pumps and electrical controls in 125 of 270 pumping stations

Essential Services - Telecommunications

- 42 cell sites are up in Baghdad in anticipation of license issue; limited operations of wireless already begun
 - Expect rapid subscriber growth in first 30-days of service
- CPA and Ministry of Communications working on frequency allocations for public-safety band in Baghdad
- Satellite gateway now open for incoming calls to Iraqi residences
 - Baghdad subscribers using pre-paid calling cards can currently make international calls; non-calling card connections delayed until billing issues resolved
 - Daiwoodi, Dora, and Jadiria exchanges connected on 17 Dec to Al Mamoun switch to enable the national access to international gateway
- Currently 1.2M telephone subscribers; goal for next 12-months is to double number of subscribers

Telecommunications Sector Metrics

By 01 Jul 04:

- Increase the number of voice subscriber lines by 25% from the present 1.2 million subscribers
- Increase the amount of domestic and international mail delivered by 50%

Essential Services - Transportation

- Progress on repairs to key national bridges includes:
 - Tikrit Bridge opened for traffic on one side (est. completion mid-May)
 - South lanes of Al Mat Bridge will be opened by last week of Jan (completion of entire project est. by end of Feb)
 - Work continues on Khazir Bridge (project completion expected in Apr)
- Umm Qasr grain-receiving facility fully operational and run by Iraqi Grain Board; \$40M for port infrastructure improvements approved by US Congress
- 70% of Iraqi tracks in poor condition, requiring operating trains at speeds below design; \$210M for rebuilding rail infrastructure approved by Congress
- No airports currently compliant with International Civil Aviation Organization standards; goal to approve three by Jul 04 (Baghdad, Mosul and Basrah)

	Port cargo capacity (raw tonnage)	Commercial aircraft departures from Iraq
Pre-war national baseline	7M tons	2 - 3 per day
Current	6.3M tons	40 per day
01 Jul 04 Goal	7-8M tons	200 – 300 per day

Total Security Forces in Iraq

Security Forces (x1000)	27 Nov	04 Dec	11 Dec	18 Dec	25 Dec	01 Jan	09 Jan
Additional Iraqi Recruits *	2.8	4.5	4.7	4.8	5.4	5.9	7.1
Other Coalition	23.9	24.2	24.7	24.5	24.5	24	24.5
Iraqi Coalition Forces	147.2	159.9	161.6	161.6	165.3	198.3	203.4
US	123	123	123	122	122	122	125
Total	294	307	309	308	312	344	353

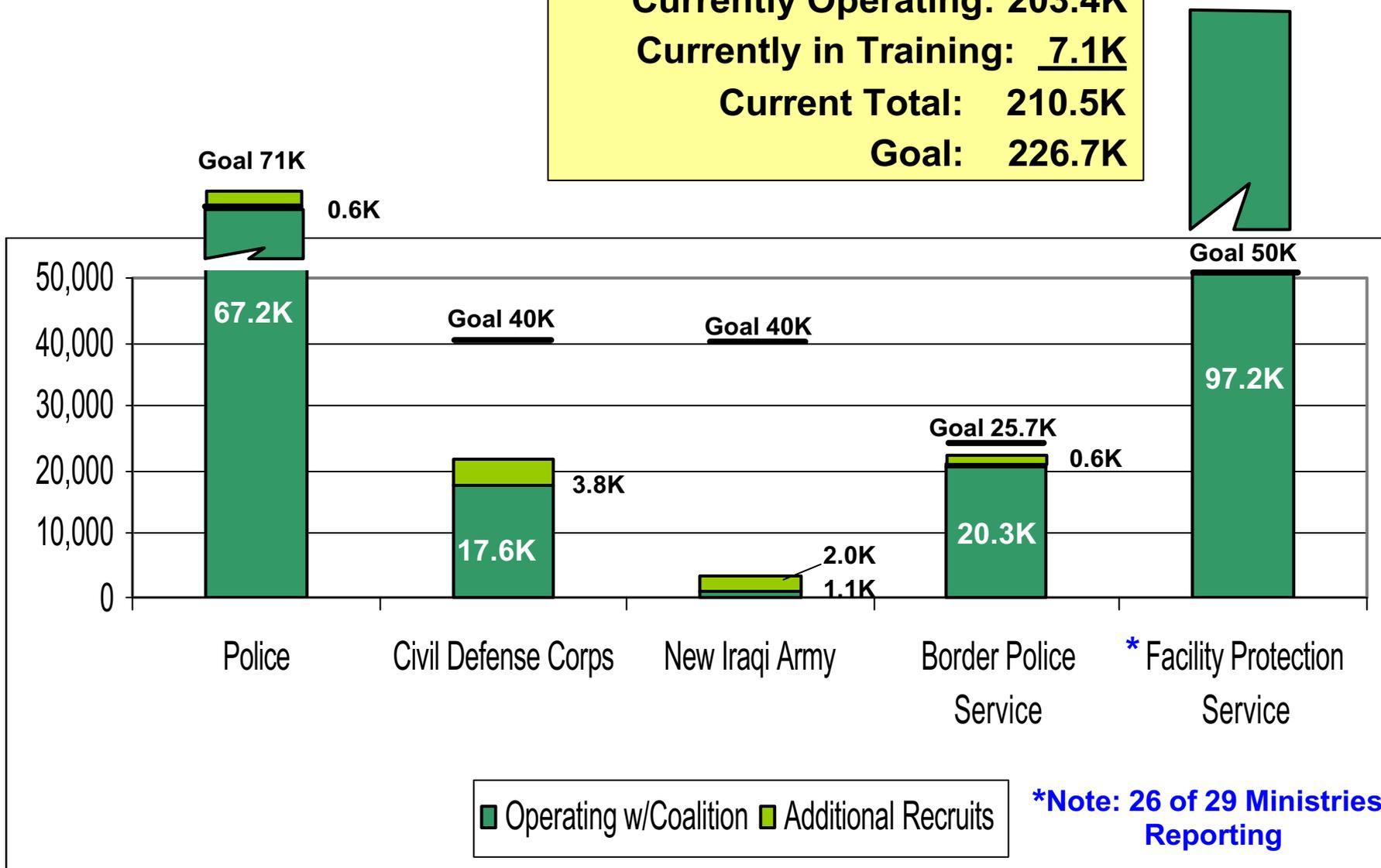
* Iraqi Recruits not included in total due to their training status





Security Forces

Currently Operating: 203.4K
Currently in Training: 7.1K
Current Total: 210.5K
Goal: 226.7K



***Note: 26 of 29 Ministries Reporting**

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AMMO / Explosives / Weapons Captured (Weekly)

Captured AMMO & Explosives	15 - 21 Dec	21 - 28 Dec	29 Dec- 04 Jan	05 - 11 Jan
Assembled IEDs	42	44	61	52
RPG rounds, Grenades	657	100	1,373	1,394
MANPAD rounds	10	4	13	21
Mortar, Artillery, Rocket Rounds	4,694	1,337	3,584	3,263
Mines	227	6	8	304
Pounds of Explosives	826	185	113	2,301
Rounds < 30mm	42,324	16,914	82,964	30,597
Captured Weapons				
RPG Launchers	72	52	149	189
MANPAD Launchers	0	0	13	32
Small Arms	236	365	664	644
Crew Served Weapons	55	16	16	1



Stability Contributors

Countries with forces in Iraq

34

TOTAL ~24,000

Albania
 Australia
 Azerbaijan
 Bulgaria
 Czech Rep
 Denmark
 Dom Rep
 El Salvador
 Estonia
 Georgia
 Honduras
 Hungary
 Italy
 Japan
 Kazakhstan
 Korea
 Latvia

Lithuania
 Macedonia
 Moldova
 Mongolia
 Netherlands
 New Zealand
 Nicaragua
 Norway
 Philippines
 Poland
 Portugal
 Romania
 Slovakia
 Spain
 Thailand
 Ukraine
 UK

Countries considering decision to provide forces for Iraq

10

TOTAL TBD

44 Countries
**Potentially Supporting
 Iraqi Stability and
 Humanitarian Relief**

Governance – Democracy Building



- **Success requires accelerated effort to develop institutions and build Iraqi capacity**
- **Governing Council requested support communicating with constituents**
 - **USAID Office of Transition Initiatives is working with CPA to provide 20 Outreach Centers throughout Iraq to provide information about the transition**

Governance Sector Metrics by 01 Jul 04

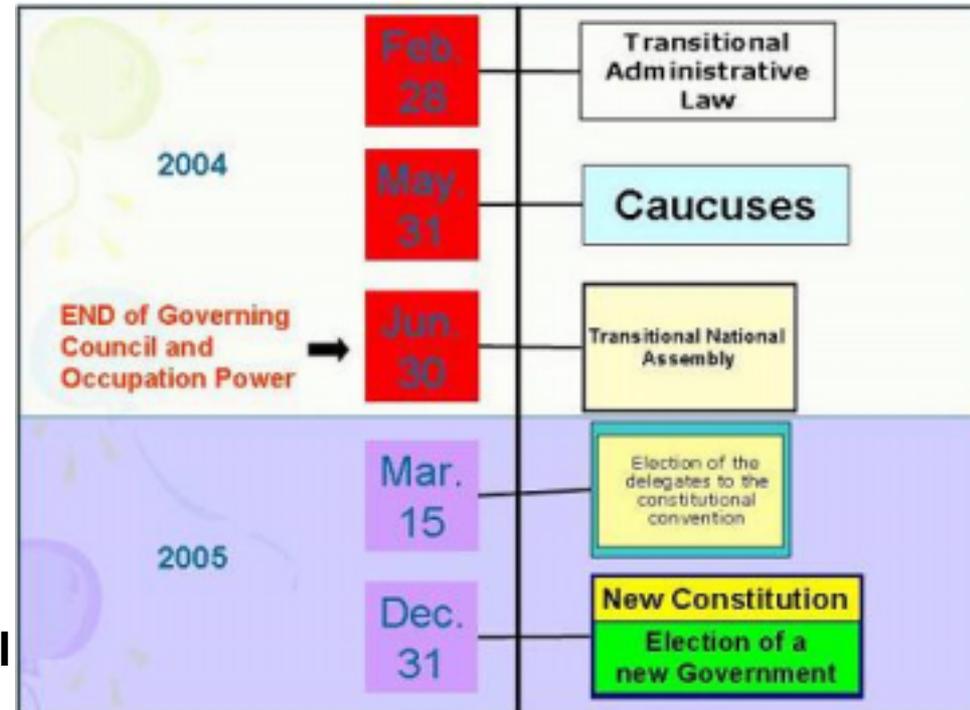
- **Transitional Administrative Law leading to formation of a transitional national assembly and process for direct elections to Constitutional Convention in 2005**
- **Development of Governing Council and Transitional National Assembly launched**
- **Programs underway promoting democratic political parties through technical assistance, training of party staff, outreach and media capacity building**
- **Provincial and local government assume responsibility for decision-making, service delivery and revenue collection**
- **Central government gains capacity for communication and coordination with local / regional government structures during the decentralization process**
- **Iraqi Office of Public Integrity launched**
- **Independent election commission established, international experts recruit and train Iraqi staff and procedures for nation-wide voter registration are developed**

Governance – National Transition



• MILESTONES

- 15 Nov 03: New agreement between CPA and GC on transition process
- 10 Dec 03: Tribunal established for crimes against humanity
- 28 Feb 04: Drafting and approval of “Transitional Administrative Law” complete
- 31 Mar 04: Bilateral security agreements complete
- 31 May 04: Selections to Transitional National Assembly complete
- 01 Jul 04: Transitional Assembly selects executive and assumes full sovereign powers for governing Iraq; CPA and GC dissolve
- 15 Mar 05: Complete elections to constitutional convention
- 31 Dec 05: Complete constitutional ratification and national elections
 - New government assumes power

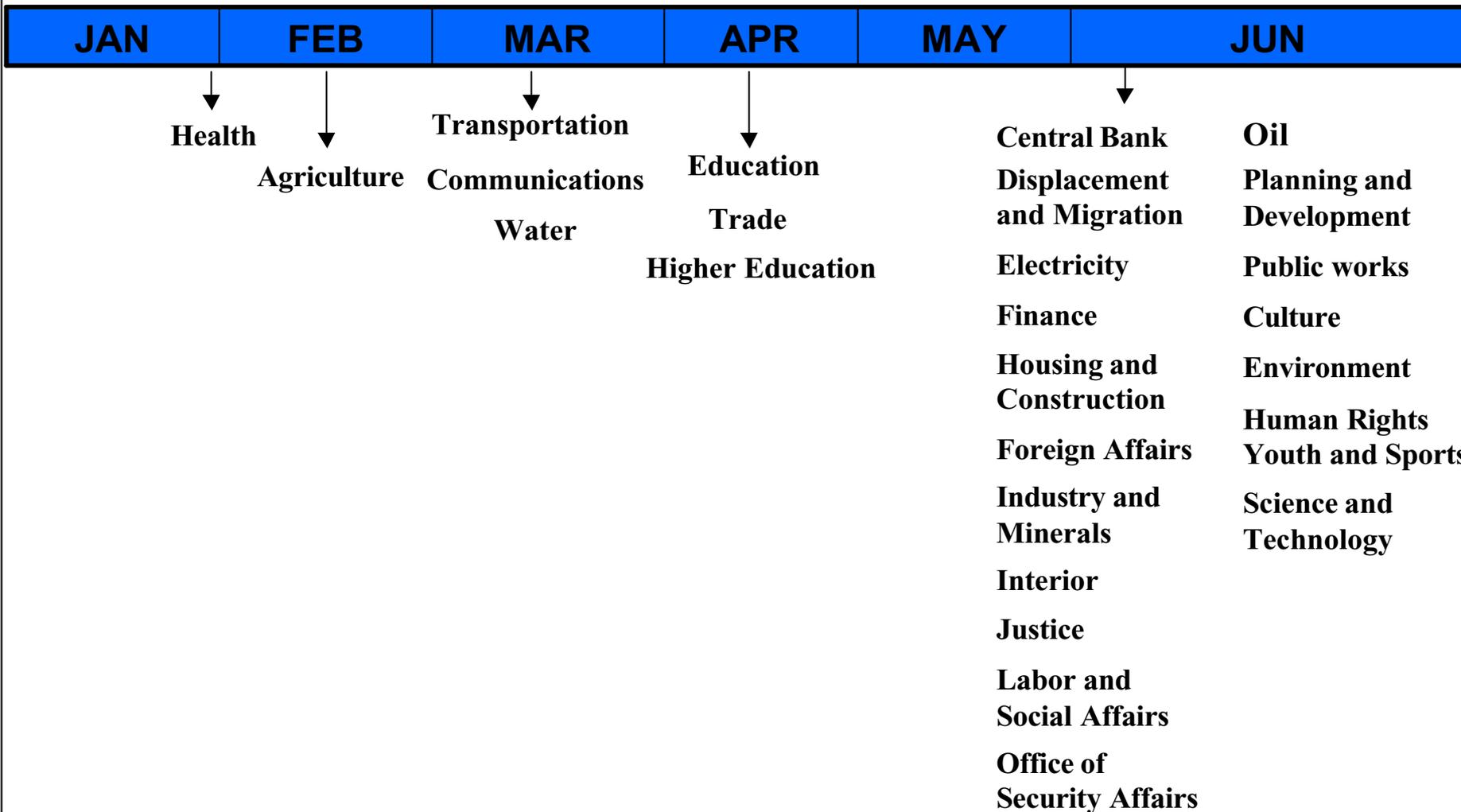


Part of civic education campaign on Iraq's transition to democracy



Ministry Graduation Program

Projected Ministry Graduation Time Line



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N/P



Justice – Prisons

- **Staffing for prisons is tenuous**
 - **Military Police currently staffing prisons are preparing to depart**
 - **Reportedly insufficient numbers of replacements are inbound as their replacements.**
 - **Iraqi prison staff members are unable to sustain internationally acceptable level of prison operations without considerable guidance, intervention and education**
 - **To help reduce strain on military assets, Ministry of Justice has launched a recruitment program to hire additional professionally trained prison staff**

Economics - Financial Market Structures

- **01 Dec 03: A check clearing agreement between state-owned banks and private banks went into effect**
 - Previously, state-owned banks did not honor checks drawn on other banks
- **04 Dec 03: Trade Bank of Iraq (TBI) officially became fully operational by asking the multi-international banking consortium led by JP Morgan Chase to issue letters of credit**
 - TBI has received around 23 applications totaling \$23 million from the Health Ministry and two applications from Ministry of Electricity for \$52 million
 - In addition, TBI has issued letters of credit to secure payments of approximately \$50 million of imported wheat
- **New lending programs will stimulate entrepreneurship in construction and other vital sectors**

Economics – Currency & Banking



- **Currency exchange is proceeding well. Highlights include:**
 - **New Iraqi Dinar (NID) appreciated by 14% since Nov 03, settling at \$1 = NID 1,675**
 - **Approximately 3.7 trillion new dinars have been exchanged**
 - **About 85% of 4.36 trillion dinars expected to be converted, with a little less than a month to go**
 - **5.8 trillion new Iraqi dinars—90% of total of 6.3 trillion—are in country**
 - **More than 3,000 tons of old currency—a third of the 9,000 tons that exist—have been destroyed**
 - **4.2 trillion dinars—96% of the total goal of 4.36 trillion—are in circulation**

Banking Sector Metrics

- **Proportion of Iraqi bank branches whose bankers have been certified by our programs by March 2005**
- **Number of Iraqi firms that bid on reconstruction subcontracts, and the number that win, as a proportion of all bidders**
- **Change in number of commercial loans issued by Iraqi banks in 2004 versus 2003**
- **Number of jobs created by non-State Owned Enterprises in 2004**

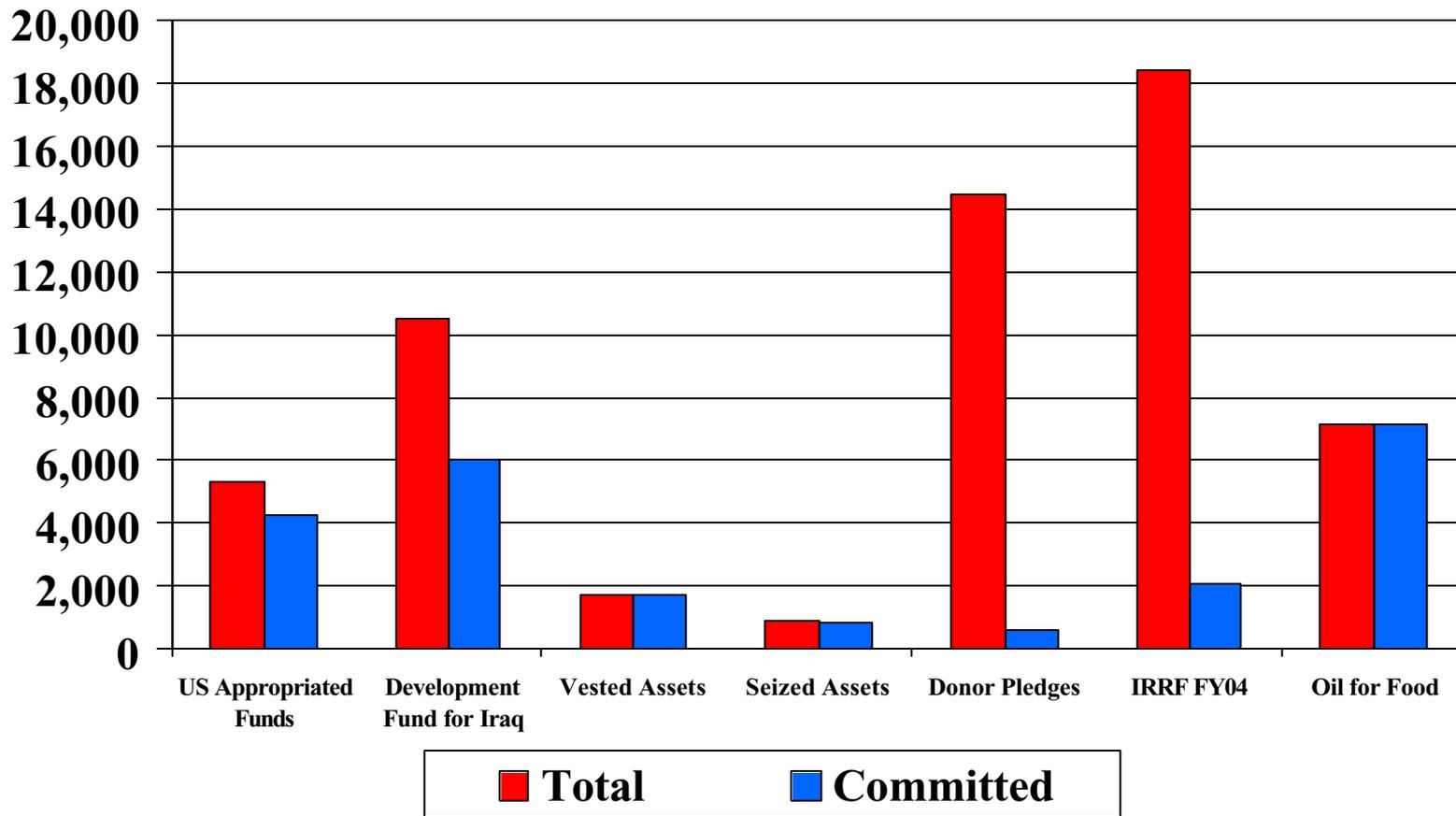
Economics – Other Developments

- **USAID and CPA initiated a micro-lending program to provide \$3 million in micro-lending funds from USAID to private banks**
 - **Private banks in Salah ah Din and Diyala will provide matching funds**
 - **Program will begin lending money to the public on 17 Jan**
- **The International Finance Corporation Board met 18 Dec 03 to discuss approval of the Small Business Facility (SBF)**
 - **The SBF received approval, with US and Spain indicating firm contributions of \$10 million and \$5 million respectively**
 - **Other countries such as Japan, Denmark and France have also expressed interest in investing in the facility**
- **Twenty-five dollar Swiss dinar public exchange will commence 17 Jan and conclude 17 Apr**
 - **Central Bank of Iraq & CPA will only exchange registered 25 dollar Swiss notes**
 - **Written instructions for exchange have been completed and distributed**



Iraq Funds Status (\$ Millions)

Total Available: \$58,561
Total Committed: \$22,625



IRRF: Iraqi Relief and Reconstruction Fund

Data as of 08 Jan

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N/P



Program Management Office

- **\$5.0B in Requests For Proposals Released**
- **PMO Released Construction and Program Management (PgM) solicitations**
 - **10 Construction solicitations in five sectors: Electricity, Communications / Transportation, Buildings / Housing, Security / Justice, Public Works / Water. Oil already competed by US Army Corps of Engineers**
 - **7 PgM solicitations for 6 sectors and PMO**
- **Proposals awarded by 15 Mar and 30 Mar for PgM and construction respectively**
 - **Bidders conference 21 January – Dulles Marriott (Tentative)**
- **PMO administration and program support transitioning to SecArmy**
- **PMO Web-site Portal operational: www.rebuilding-iraq.net**



Strategic Communication

- **USAID Office of Transition Initiatives (OTI) providing 20 Outreach Centers throughout Iraq to disseminate transition information**
 - **Center staffs will be trained in media relations, public outreach, and effective strategies to work with civil society organizations and political associations**
 - **One center will be established in each governorate, as well as 3 total in Baghdad**
- **15 representatives from Ninawa' Governorate media organizations attended a workshop facilitated by USAID on the media's role in democratization**
 - **Workshop attended by staff of al-Iraqiyah's TV Ninawa' and Radio Ninawa', and staff from various newspapers**
- **Al-Iraqiyah (formerly Iraqi Media Network)**
 - **Harris Corporation awarded \$96M to operate Iraqi national newspaper and broadcast network for 12 months**
 - **Lebanese Broadcast Corporation will be source of election programming and will conduct training**